



Lester

Memorandum

Date: September 25, 1998

To: Robert G. Potter
Chief Deputy Director

From: Lester A. Snow
Executive Director

Subject: Next Steps for the McCormack-Williamson Tract

CALFED is providing funds for The Nature Conservancy (TNC) to purchase the 1653 acre McCormack-Williamson Tract in the Delta. The acquisition has been a complicated on-again, off-again process. We would like to present one issue for your approval and a second for your consideration and possible concurrence.

1. The original appraisal for McCormack-Williamson Tract was rejected by the Department of General Services (DGS). TNC has arranged for a new appraisal and needs a "sponsor" to present and move it through DGS. The Wildlife Conservation Board carried the first effort but cannot carry the second. The Department of Water Resources (DWR) Land and Right of Way Unit has a good track record with DGS. We recommend CALFED contract with Land and Right of Way to support this effort. The estimated cost is \$24,000. This can be processed as an amendment to an existing project and is within the dollar amount delegated to me for approval. With your concurrence, CALFED will amend its existing interagency agreement to add and fund this task. A draft letter authorizing the amendment is attached.
2. The second issue which we would like to alert you to is the possibility of DWR taking on the operations of the reclamation district for property, RD 2110, so the existing levees can be maintained to protect the current ecosystem uses of the property. McCormack-Williamson Tract is an important ecosystem restoration project but is also a key element in North Delta flood management problems and

CALFED Agencies

California The Resources Agency
 Department of Fish and Game
 Department of Water Resources
 California Environmental Protection Agency
 State Water Resources Control Board

Federal Environmental Protection Agency
 Department of the Interior
 Fish and Wildlife Service
 Bureau of Reclamation
 U.S. Army Corps of Engineers

Department of Agriculture
Natural Resources Conservation Service
Department of Commerce
National Marine Fisheries Service

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opportunities. The property floods relatively frequently (1955, 1958, 1964, 1986, 1997). Maintenance of its levee is integral to flood management in the area and will be very important not only to maintaining the ecosystem values of the property but to the acceptability of this project to other landowners in the area. While TNC could operate the reclamation district, DWR has significantly more experience at this task and it may be advantageous for them to take over the operations of the reclamation district. Before DWR could take on this task, we would need to make sure financial provisions were adequate to cover their costs.

Background on Funding of the Project

The Nature Conservancy project to acquire conservation lands at their Cosumnes River Preserve was recommended for approval by the Policy Group in December 1997 for \$5,375,100, and in January 1998 for an additional \$5 million. \$3.4 million of this original funding was ultimately approved from the federal Bay-Delta Act and the remaining \$6,975,100 was approved from Proposition 204.

This project was amended in July 1998 to add \$100,000 in federal funds to cover an additional part of the Denier and Park parcels and to add \$210,000 in Proposition 204 funds because the January 1998 award was an estimate of the costs associated with acquisition of a parcel known as McCormack-Williamson Tract and, after additional development, there were some additional staff costs and a slightly higher price for the property than was expected in January 1998. This brought the total cost for both the state and federal portions of the project to \$10,685,100.

The US Bureau of Reclamation has entered into a Cooperative Agreement for \$3.5 million for the Denier and Park acquisitions which have been completed. The National Fish and Wildlife Foundation is currently preparing a Recipient Agreement with TNC for \$7,185,100 to cover the remaining tasks, including acquisition of McCormack-Williamson Tract.

At the same time funds were awarded to TNC for the Cosumnes acquisitions, the existing reclamation district, RD 2110, which includes the current owner of McCormack-Williamson Tract, was awarded \$365,000 for evaluation of a setback levee project on the property. This project has been suspended until the owner determines if he wants to sell the property or pursue his own project. If the property is acquired and RD 2110 is taken over by the new owner, then RD 2110 could request an amendment to the existing project to allow the use of those funds for a broader ecosystem restoration project. This amendment would have to go through the CALFED process but this is a potential source for restoration actions on the property.

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Attached for your information is a draft detailed history of the project prepared by Mike Eaton of TNC and draft North Delta Flood Control Scenarios prepared by Ensign and Buckley Engineers for CALFED.

Attachments

cc: Stephen L. Kashiwada, Deputy Director
Frank L. Conti, Chief, Division of Land and Right of Way
Veronica G. Hicks, Chief, Real Estate Branch
Curtis Creel, Executive
Jeanne Schallberger, Executive
Ward Tabor, Legal
Karl Winkler, Central District
Curt Schmutte, Central District
Jim Martin, Central District

bcc: Lester Snow
Stein Buer
Cindy Darling
Rob Cooke
Dave Sampson
Mark Cowin

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